

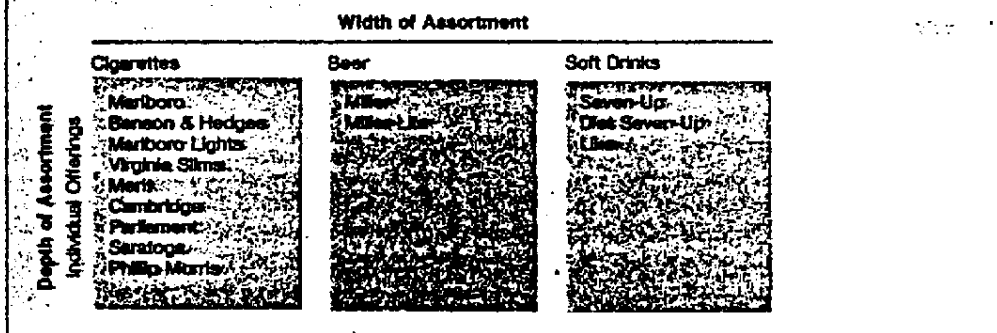
CHAPTER OVERVIEW

Chapter 13 considered several basic product concepts. This chapter expands the discussion of products and services by examining the product mix and new product planning. A starting point is to consider the concept of a product mix.

A product mix is the assortment of product lines and individual offerings available from a marketer. Its two primary components are product line, a series of related products, and individual offerings, single products.

Product mixes are typically measured by width of assortment and depth of assortment. Width of assortment refers to the number of product lines that the firm offers, while depth of assortment refers to the extension of a particular product line. Philip Morris Incorporated offers an assortment of consumer product lines—cigarettes, beer, and soft drinks. These product lines would be considered the width of the

Figure 9-1 The Phillip Morris Product Mix



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Philip Morris product mix. The depth is determined by the number of individual offerings within each product line. For example, their soft drink line consists of 7-Up, Diet 7-Up, and Like. The cigarette line is headed by Marlboro and the beer line by Miller and Miller Lite. (See Figure 9-1)

The Existing Product Mix

The starting point in any product planning effort is to assess the firm's current product mix. What product lines does it now offer? How deep are the offerings within each of the product lines? The marketer wants to look for gaps in the assortment that can be filled by new products or modified versions of existing products.

Cannibalization

The firm wants to avoid a costly new product introduction that will adversely affect sales of one of its existing products. A product that takes sales from another offering in a product line is said to be cannibalizing the line. Such was the case back in 1964 when Maxim instant coffee was introduced. Marketers at General Foods hoped that the popularity of the Maxwell House name would help Maxim. It did, but it also took millions of sales dollars from the established offering.² Marketing research should ensure that any cannibalization mistakes are minimized or at least anticipated.

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